



Department of Justice

FOR IMMEDIATE RELEASE
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**JUSTICE DEPARTMENT APPROVES PENNSYLVANIA TRAVEL COMPANY'S
PROPOSAL TO FORM GROUP TO NEGOTIATE DOMESTIC AIR TRAVEL FARES ON
BEHALF OF CORPORATE CUSTOMERS**

WASHINGTON, D.C. -- A Pennsylvania business travel corporation will be allowed to form a joint buying group to negotiate domestic air travel fares on behalf of its corporate customers under a proposal approved today by the Department of Justice's Antitrust Division.

Joel I. Klein, Acting Assistant Attorney General in charge of the Antitrust Division, said the proposed venture may have a procompetitive effect to the extent that it provides corporations with another option for purchasing air travel services, or reduces the cost and improves the efficiency of corporate air services purchases.

Business Travel Contractors Corporation headquartered in King of Prussia, Pennsylvania, proposes to assist business customers by negotiating air fares that are primarily mileage-based and net of travel agent commissions and frequent flyer credits. BTCC will not actually make reservations or issue tickets. Its customers will continue to negotiate separately with travel agents or make their own arrangements with airlines for these services. BTCC intends to negotiate fares, called "Business Contract Fares," with any interested airline.

To avoid the risk of creating undue collective buyer power, BTCC will limit the total number of customers. Its customers, as

a group, will not account for more than 35 percent of the purchases of air transportation services in any city-pair transportation market.

Klein said the BTCC proposal is unlikely to adversely affect competition so long as BTCC's customers do not exceed a 35 percent share of air travel purchases over any route. Klein also said the proposal will not affect competition in any markets where a single BTCC member already possesses market power.

The Department's position was stated in a business review letter to the corporation's counsel.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the legal Procedure Unit of the Antitrust Division, Room 3235, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file.

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